

Appendix F: ABC Estimated Costs for Regulatory Program

Virginia ABC
Tobacco Enforcement and Regulatory Cost Estimates
As of July 1, 2025

Facts for Consideration in Discussing Best Approach to Tobacco and Vape Shop Regulation	
1.	An accurate determination of costs associated with implementing a tobacco and vape shop regulation program is an impossibility
2.	No one appears to know the total number of vape shops that are operating in the Commonwealth
3.	Current estimates based on 10,000 licensees is at best a SWAG
4.	Observation alone would indicate these types of stores are growing at a significant pace
5.	There are approximately 6,000 convenience stores in Virginia that sell alcohol and also sell tobacco and vape products
6.	There is no economy of scale in ABC conducting checks as federal law prohibits tobacco and alcohol checks from being conducted simultaneously
7.	By comparison, an individual ABC special agent conducts approximately 250 ABC licensed entities a year---there are 80 special agents---if each special agent inspected 250 tobacco and vape shops per year, assuming 10,000 such shops, ABC would need 40 additional special agents
8.	How to develop an estimate of this newly regulated community and properly account for the necessary resources, both human and financial, is a significant challenge

Description	Number of Positions	Total	Assumptions
Special Agent 1 (NOVA)	5	\$ 731,399.18	
Special Agent 1 (non-NOVA)	12	\$ 1,442,446.43	
System Analyst	2	\$ 242,746.51	
Administrative Law Judge	1	\$ 179,422.14	
Paralegal	2	\$ 192,621.63	
Associate Legal Counsel	2	\$ 358,844.28	
Coordinator	1	\$ 131,691.57	
License Technicians	6	\$ 481,371.90	
Positions - Subtotal	31	\$ 3,760,543.63	
Underage Buyer		\$ 200,000.00	
Hiring, Training, Equipment		\$ 1,005,275.17	Year 1 Only
Virginia ABC Licensing (VAL) Modifications		\$ 350,000.00	Year 1 Only
Grand Total		\$ 5,315,818.80	
First Year Costs		\$ 5,315,818.80	
Second Year and Beyond		\$ 3,960,543.63	